

## Message Text

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ORIGIN STR-02

INFO OCT-01 SS-14 ISO-00 EB-04 IO-06 EUR-08 OIC-01  
L-01 STRE-00 NSCE-00 INR-05 CIAE-00 NSAE-00 OMB-01  
TRSE-00 SP-02 SSO-00 INRE-00 /045 R

DRAFTED BY STR:JSTARKEY:JT:BMH  
APPROVED BY STR:AMBASSADOR WOLFF  
USDA:DHATHAWAY (SUBS)  
STATE:EB:JKATZ

-----033723 172139Z /64

O 172114Z MAR 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA IMMEDIATE  
INFO AMEMBASSY BRUSSELS IMMEDIATE

C O N F I D E N T I A L STATE 069282

LIMDIS - PASS TOM SAYLOR, ALSO USMTN & USEEC FOR INFO

E.O. 11652: GDS

TAGS: ETRD, EAGR, MTN

SUBJECT: GUNDELACH/STRAUSS FOLLOWUP: GRAINS

1. IN DISCUSSION WITH STARKEY (STR) HERMAN DELANGE OF THE  
EC DELEGATION (WASHINGTON) PASSED ON THE FOLLOWING COMMENTS  
FROM PIZZUTI WITH RESPECT TO THE FOLLOW-UP OF THE  
GUNDELACH/STAUSS/BERGLAND MEETINGS ON GRAINS. THIS IS  
PROVIDED FOR YOUR INFORMATION.

2. PIZZUTI WAS NOT AWARE IF GUNDELACH HAD BEEN ABLE TO  
MEET WITH POLITICAL LEVEL REPRESENTATIVES OF OTHER MAJOR  
EXPORTING AND IMPORTING PARTICIPANTS IN THE IWC DISCUSSIONS  
AS HE HAD INTENDED FOLLOWING THE WASHINGTON MEETING TO  
EXPLAIN THE COMMUNITY'S POLITICAL IMPERATIVES FOR  
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CONCLUSION OF AN MTN PACKAGE ON AGRICULTURE. PIZZUTI  
STATED THAT JACQUOT HAD BEEN INSTRUCTED TO MEET WITH THE  
HEADS OF KEY DELEGATIONS IN GENEVA TO EXPLAIN THE  
COMMUNITY'S POINT OF VIEW. IN REPLY (STARKEY) STATED HIS  
VIEW THAT JACQUOT'S DISCUSSIONS WITH DELEGATION HEADS  
WOULD NOT BE AN ADEQUATE SUBSTITUTE FOR DISCUSSIONS BY  
POLITICAL LEVEL EC OFFICIALS (PREFERABLY GUNDELACH HIM-

SELF) WITH THE COUNTRIES CONCERNED.

3. THE EC ASSESSMENT OF THE SITUATION IN GENEVA, AND PARTICULARLY THE SENSITIVITIES OF THE DEVELOPING COUNTRIES MADE IT NECESSARY IN THEIR VIEW TO CONTINUE THE CONFERENCE UNTIL THE SCHEDULED TERMINATION DATE ON MARCH 23. THE EC WOULD NOT INSIST (AS WAS STATED DURING THE MEETINGS IN WASHINGTON) THAT THE CONFERENCE BE SUSPENDED NOW.

4. WITH RESPECT TO THE TERMINATION OF THE CONFERENCE ON MARCH 23, PIZZUTI NOTED THAT IT WOULD PROBABLY BE NECESSARY FOR THE CHAIRMAN (DUNKEL) TO SUMMARIZE PROGRESS TO DATE IN A POSITIVE WAY IN ORDER TO SET THE STAGE FOR THE RECONVENING OF THE CONFERENCE IN A MONTH OR SIX WEEKS. WITH RESPECT TO THE WHEAT AGREEMENT PIZZUTI FELT THAT THE SUMMARY COULD INCLUDE A DESCRIPTION OF THE CURRENT AREAS OF AGREEMENT, I.E. ON A WIDE PRICE BAND AND THE NEED FOR MEASURES TO MAKE THE PRICE BAND CREDIBLE. WITH RESPECT TO THE COARSE GRAINS THE CHAIRMAN COULD NOTE THAT THERE APPEARED TO BE ENOUGH INTEREST TO CONTINUE DISCUSSIONS ON THE BASIS OF THE ARGENTINE PROPOSAL.

5. STARKEY AGREED THAT IT WAS IMPORTANT TO RECESS THE CONFERENCE ON A POSITIVE NOTE BUT ADDED THAT A NEUTRAL FORMULATION WOULD SEEM MORE APPROPRIATE IN ORDER NOT TO PREJUDICE THE NEGOTIATING POSITIONS OF EITHER SIDE.  
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WHILE WE HAD DISCUSSED THE CONCEPT OF "NOTIONAL PRICES" WITH RESPECT TO WHEAT AND THE DESIRABILITY OF MEASURES TO GIVE CREDIBILITY TO SUCH PRICES IN WASHINGTON, THE U.S. WAS NOT PREPARED TO TAKE A PUBLIC POSITION FAVORING THIS CONCEPT AT THIS TIME. ANY ACCURATE ASSESSMENT OF THE COARSE GRAIN SITUATION WOULD HAVE TO CONCLUDE THAT THERE IS NO INTEREST AT THIS TIME EXCEPT ON THE PART OF THE EUROPEAN COMMUNITY IN AN ARRANGEMENT COVERING COARSE GRAINS WITH PRICE AND STOCK PROVISIONS. WE WOULD PREFER A SUMMARY BY THE CHAIRMAN INDICATING THAT SUBSTANTIAL PROGRESS IN THE DISCUSSIONS HAVE BEEN MADE TO DATE BUT IT HAS BECOME APPARENT THAT MAJOR PARTICIPANTS HAVE NOT MADE POLITICAL DECISIONS IN CAPITALS NECESSARY TO REACH A CONCLUSION AT THIS TIME. THE CHAIRMAN, THEREFORE, PROPOSES A RECESS OF 4 WEEKS TO ALLOW AN OPPORTUNITY FOR REFLECTION, CONSULTATION AND ADDITIONAL TECHNICAL WORK.

6. DELANGE IS EXPECTED TO REPORT THESE COMMENTS TO BRUSSELS. VANCE

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GRAINS, MEETINGS  
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**Draft Date:** 17 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** GUNDELACH/STRAUSS FOLLOWUP: GRAINS  
**TAGS:** ETRD, EAGR, MTN  
**To:** GENEVA  
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**Review Markings:**  
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